

CITY CLERK DEPT.

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**CITY OF EL PASO, TEXAS  
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM**

**DEPARTMENT:** Office of Economic Development  
**AGENDA DATE:** March 3, 2009 Regular Agenda  
**CONTACT PERSON/PHONE:** Kathy Dodson, PhD, Director 541-4670  
**DISTRICT(S) AFFECTED:** ALL

**SUBJECT:**

Discussion and Action that the City Manager be authorized to sign an Amendment to the Agreement ("Agreement") by and between the City of El Paso ("City") and the El Paso Regional Economic Development Corporation ("REDCo") to accept and approve a new Exhibit A, 2009 Scope of Services, and new Exhibit B, 2009 Performance Metrics and to have REDCo continue to provide specific, measurable economic development services to the City. The original term of the Agreement expired on December 31, 2007 and automatically renews for three successive one-year terms, subject to REDCo's satisfaction of the Performance metrics and subject to the City's appropriation of funds for payment. For this second successive one-year term, the City shall pay to REDCo an amount not to exceed \$200,000.00 during 2009 in exchange for the specific, measurable economic development services identified in the new Exhibits A and B. This item was included as part of the economic development 2009 budget approved by City Council.

**BACKGROUND/DISCUSSION:**

The City maintains a contract for services with the El Paso Regional Economic Development Corporation (REDCo) with respect to the recruitment of business and industry to El Paso. Exhibit A and Exhibit B are updated every year to reflect current activities.

**PRIOR COUNCIL ACTION:**

**Has the Council previously considered this item or a closely related one?**  
Yes - August 6, 2006 Council approved the REDCo Contract.

**AMOUNT AND SOURCE OF FUNDING:**

**How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?**  
\$200,000 ECONOMIC DEVELOPMENT 72010268-01101-72000-505200

**BOARD/COMMISSION ACTION:**

Enter appropriate comments or N/A.

N/A

\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**LEGAL:** (if required) \_\_\_\_\_ **FINANCE:** (if required) \_\_\_\_\_

**DEPARTMENT HEAD:** Luis Ponticelli, Econ Dev. Mgr. Joe Kathryn Dodson PhD, Director  
(Example: If RCA is initiated by Purchasing, client department should sign also). Information copy to appropriate Deputy City Manager

**APPROVED FOR AGENDA:**

**CITY MANAGER:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

## RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign an Amendment to the Agreement ("Agreement") by and between the City of El Paso ("City") and the El Paso Regional Economic Development Corporation ("REDCo") to accept and approve a new Exhibit A, 2009 Scope of Services, and new Exhibit B, 2009 Performance Metrics and to have REDCo continue to provide specific, measurable economic development services to the City. The original term of the Agreement expired on December 31, 2007 and automatically renews for three successive one-year terms, subject to REDCo's satisfaction of the Performance metrics and subject to the City's appropriation of funds for payment. For this second successive one-year term, the City shall pay to REDCo an amount not to exceed \$200,000.00 during 2009 in exchange for the specific, measurable economic development services identified in the new Exhibits A and B.

APPROVED this the \_\_\_\_\_ day of \_\_\_\_\_, 2009.

THE CITY OF EL PASO

\_\_\_\_\_  
John F. Cook  
Mayor


ATTEST:

\_\_\_\_\_  
Richarda Duffy Momsen  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Marie A. Taylor  
Assistant City Attorney

APPROVED AS TO CONTENT:

  
\_\_\_\_\_  
Kathryn B. Dodson, Ph.D., Director  
Economic Development Department

STATE OF TEXAS            )  
  )  
COUNTY OF EL PASO    )

AMENDMENT TO AGREEMENT  
BETWEEN CITY OF EL PASO AND REDCO

THIS AMENDMENT is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2009, by and between the **CITY OF EL PASO**, (the “City”), a Texas municipal corporation, and the **EL PASO REGIONAL ECONOMIC DEVELOPMENT CORPORATION** (“REDCo”), a 501(c)(6) nonprofit corporation organized under the laws of the State of Texas.

WITNESETH

**WHEREAS**, on August 2006, the City and REDCo entered into an agreement under which REDCo provides specific, measurable economic development services to the City, in accordance with the Scope of Services described therein, in exchange for a specific amount of monetary remuneration (the “Agreement”); and

**WHEREAS**, the Agreement commenced on June 1, 2006 and the original term expired on December 31, 2007 and thereafter automatically renews for three (3) successive one (1) year terms, subject to REDCo's satisfaction of the Performance Metrics and subject to the City's appropriation of funds for payment under the Agreement; and

WHEREAS, on March 8, 2008, the City Council by motion approved appropriation of funds for payment under the Agreement in the amount of \$200,000 for the first successive one year term and accepted and approved updated exhibits for the 2008 funding year; and

**WHEREAS**, the City desires to maintain their contractual relationship by appropriating of funds for payment under the Agreement and to update the scope of services and performance metrics under the Agreement to reflect the City's current economic development objectives regarding the recruitment of business and industry to El Paso for 2009; and

**WHEREAS**, REDCo is willing to provide the specific, measurable economic development services identified in the new Exhibit A, 2009 Scope of Services, and new Exhibit B, 2009 Performance Metrics, attached hereto.

**NOW, THEREFORE**, the parties agree to amend the Agreement as follows:

1. The 2009 Scope of Services, attached hereto as Exhibit A and incorporated by reference herein, shall replace the original and the 2008 contract scope.

2. The 2009 Performance Metrics, attached hereto as Exhibit B and incorporated by reference herein, shall replace the original and the 2008 performance metrics.

3. The City shall pay to REDCo an amount not to exceed Two Hundred Thousand and No/100th Dollars (\$200,000.00) during the calendar year 2009.

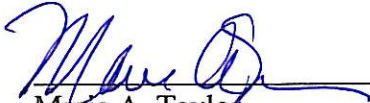
4. Except as herein amended, the Agreement between the City and REDCo executed on August 8, 2006, shall remain in full force and affect.

**IN WITNESS HEREOF**, the City and REDCo have executed this amendment as of the date first herein above set forth.

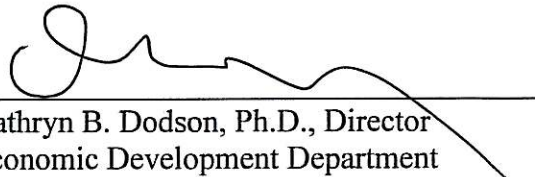
**THE CITY OF EL PASO:**

\_\_\_\_\_  
Joyce A. Wilson  
City Manager

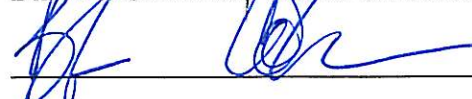
**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Marie A. Taylor  
Assistant City Attorney

**APPROVED AS TO CONTENT:**

  
\_\_\_\_\_  
Kathryn B. Dodson, Ph.D., Director  
Economic Development Department

**EL PASO REGIONAL ECONOMIC  
DEVELOPMENT CORPORATION:**

  
\_\_\_\_\_  
By: Bob Cook, President



## Exhibit A: 2009 Scope of Services

The following comprises the Economic Development Services to be performed by REDCo in 2009 in order to achieve the performance measures outlined in Exhibit B of this agreement. The total budgeted cost of these services is \$477,207 which shall be shared by REDCo and the City. The City shall not pay more for more than 49% of the cost for any one of the initiatives enumerated herein. The programs/services listed in this attachment are the only eligible expenditures for which the City shall reimburse REDCo.

### **Marketing/Advertising Campaign**

**Total REDCo Cost = \$150,700 / Maximum Billable to City = \$73,840**

REDCo will continue to build on the basic marketing and promotional program that has played a key role in driving increased client activity for the region. REDCo will work with the City's Department of Economic Development, El Paso International Airport, El Paso Convention and Visitors Bureau in a coordinated fashion in order to leverage community and regional branding messages into the 2009 initiatives outlined in the following chart.

<b>Marketing/Advertising Item</b>	<b>Budgeted Amount</b>
Website hosting and related-costs for REDCo's on-line real estate search engine. Includes on-line and print advertising expenses to designed to drive activity to the website.	\$64,000
Website-Hosting for REDCo's promotional website "elpasoredco.org"	\$2,400
Ad Placement- El Paso International Airport	\$11,300
Agency Retainer- Includes creative services, copywriting and printing for advertising/marketing campaign.	\$73,000

### **Travel Expense**

**Total REDCo Cost = \$25,610 / Maximum Billable to City = \$12,540**

The above listed amount will cover the cost of travel related expenses for REDCo staff to make calls on clients, and site location consultants.

### **Media/Public Relations Campaign**

**Total REDCo Cost = \$123,960 / Maximum Billable to City = \$60,740**

REDCo will continue its proactive media relations campaign which was initiated in 2007. REDCo will incorporate consistent branding messages into these strategies. Elements of this portion of our budget will include the following:

- Monthly retainer with REDCo's New York-based media relations consultant, Development Counselors International
- Familiarization Tours-- REDCo will host a total of at least six (6) inbound and outbound familiarization tours during the year, at least three (3) of which will target site location consultants from across the nation and at least three (3) of

which will target members of the national and international media. The purpose of these tours will be to familiarize the target audience with the benefits of doing business in the El Paso region.

**Trade Shows/Conferences**

**Total REDCo Cost = \$71,095 / Maximum Billable to City = \$34,800**

REDCo has budgeted the following conferences and trade shows for 2009 for the purpose of promoting the advantages of doing business in the El Paso area. REDCo will incorporate consistent branding messages into these outreach initiatives.

**February:**

- Medical Design and Manufacturing West, Anaheim
- Association of Defense Communities, San Antonio
- Mission to Canada with MexicoNow
- Team Texas Mission to Boston

**March:**

- MexicoNow Aerospace Conference, Miami

**April:**

- Society of Automotive Engineers, 2009 World Congress, Detroit
- AUSA Army Installations Symposium & Expo, Kansas City

**May:**

- MexicoNow Conferences, Chicago and Detroit
- Mission to Europe and Brazil
- Windpower 2009, Chicago
- BIO International Convention, Atlanta
- NDIA Environment, Energy & Sustainability Symposium & Exhibition, Denver
- Global Border Security Conference and Expo, Phoenix

**June:**

- Area Development Consultants Forum, Louisville
- PRO Mexico, Europe
- NPE 2009/ANTEC 2009/MoldMaking Expo 2009, Plastics Conference, Chicago
- **July:**
- Mission to China
- MexicoNow Conference, Las Vegas
- AUSA Army Medical Symposium & Expo, San Antonio

**August:**

- Team Texas Mission to Mexico
- Border Security Conference, UTEP (REDCo is co-sponsor)

**October:**

- Association of the United States Army, National Conference, Washington DC

**November:**

- Texas Renewables Conference, Austin
- NDIA Targets, UAVs, & Range Operations Symposium & Expo, Savannah GA

**December:**

- Area Development Consultants Forum, Fort Lauderdale

**Completion of Life Sciences Consulting Study-**

**Total REDCo Cost = \$75,000 / Maximum Billable to City = \$36,750**

In 2008, REDCo engaged Fluor Global Location Strategies to conduct a feasibility analysis of attracting life science companies to El Paso. The project was originally scheduled for completion in 2008, but will not be completed until February or March of 2009. The final report of Fluor GLS will recommend strategies related to targeting specific life science industry segments, workforce preparation, infrastructure preparation, incentives and best recruitment practices. For the purposes of this study "Life Sciences" will include medical devices, biomedical R&D, and pharmaceuticals. The City and REDCo agree that any written reports, studies or recommendations produced by the Life Sciences consultant shall be considered proprietary and shall be viewed by City personnel at REDCo premises. REDCo agrees to make available to the City elements of these reports that are not competition-sensitive, and to work with City personnel to make these determinations on a case-by-case basis.

**Professional Development of Staff**

**Total REDCo Cost = \$30,842 / Maximum Billable to City = \$15,100**

In order to maintain the highest possible expertise and effectiveness of our professional staff, REDCo has budgeted its most aggressive professional development initiatives since our inception in 2004. Each member of our professional staff will be enrolled in courses ranging from basic and advanced courses in economic development to industry-specific seminars related to REDCo's target industries.

## **Exhibit B**

### **2009 Performance Metrics**

For the 2009 term of this agreement, the Performance Metrics for REDCo are:

#### **Job Targets**

- At least 1,200 announced new jobs for El Paso from private sector companies that are relocating or expanding to El Paso.

#### **Wage Targets**

- With respect to the new jobs that are attracted to El Paso, there must be an indication that REDCo is actively working to increase overall wage rates in the community.
  - At least 780 of the new jobs must be at or above the Median County Wage rate reported for El Paso County in the most current ES202 data.
  - At least thirty 360 new jobs must be at least 110% of the Median County Wage rate reported for El Paso County in the most current ES202 data.

#### **Capital Investment Targets**

- At least \$40 million in new private sector investment in real and/or personal property.

#### **Media Relations Targets**

REDCo will hire a national media relations consultant in 2008, and will minimally generate the following:

- Host at least three fam tours of national and international press.
- At least six (6) articles on the community in national and international publications. The combined value of advertising equivalency and editorial impact will be at least \$500,000.

#### **Downtown Promotion**

REDCo will continue support the City's efforts to redevelop downtown El Paso by specifically undertaking the following initiatives.

- REDCo will evaluate each of its existing clients and new clients, relative to each client company's viability to select downtown El Paso as a location of operations. If it is deemed that the client has strong potential for a downtown location, REDCo will make each company aware of the potential to receive an enhanced package of incentives should they choose to locate in the central business district



of El Paso. On no less than a quarterly basis, REDCo will submit written reports to the City's Economic Development Department as to the status and disposition of each of these clients. Included in this report will be the company's reasons for choosing or not choosing to locate downtown.

- REDCo will update its direct mail marketing piece that provides information regarding downtown as a business location. The piece contains information as to how companies may find available buildings in the downtown area, as well as information pertaining to the specific incentives a company may receive if they choose to evaluate downtown as a location.
- REDCo will host no less than quarterly familiarization tours with site consultants and members of the national/international press. As appropriate, REDCo will include a downtown focus as part of the itinerary for each of these visits.
- REDCo will provide guidance to City staff, as needed, regarding incentives, infrastructure and other issues that will help make downtown El Paso a more attractive location for companies considering expansion or relocation to the region.

#### **Additional Benchmarks**

REDCo will benchmark wages paid by newly recruited employers against industry and occupational averages, and will do so on an annual basis in order to determine whether or not REDCo's economic development strategy, over time, is in fact:

- Increasing overall wages in the community;
- Increasing wages within the occupational categories;
- Increasing wages within industry segments.

This mechanism will be employed to verify whether or not REDCo has employed effective strategies. This benchmark process does not imply that El Paso's public policy does not value high tech jobs unless they pay above comparable regional/local high tech industry and occupational averages. The city's policy will, however, offer greater financial inducements to recruited companies that commit to pay higher wages than either the regional/local industry or occupational wage.